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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL


ORIGINAL

October 7, 2013

Bob Stump, Chairman  
Gary Pierce  
Brenda Burns  
Bob Burns  
Susan Bitter Smith  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Arizona Corporation Commission  
**DOCKETED**

OCT 07 2013

DOCKETED BY	
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**RE: Pulte Home Corporation's Public Comment  
Johnson Utilities, L.L.C., Docket No. WS-02987A-12-0136**

Dear Chairman and Commissioners:

I am submitting this comment in Docket No. WS-02987A-12-0136 on behalf of Pulte Home Corporation ("Pulte"). Pulte is not a party to the docket, but will be directly affected by the Commission's decision in this matter and wishes to submit this comment in support of the application.

Docket No. WS-02987A-12-0136 is a CC&N extension request made by Johnson Utilities, L.L.C. ("Johnson Utilities") to serve the Bella Vista Farms and Merrill Ranch Expansion One extension areas.

Pulte is currently building the Anthem at Merrill Ranch development near Florence. The Anthem at Merrill Ranch development is a large master planned development that is already served water and sewer by Johnson Utilities. Pulte and Johnson Utilities have already made substantial plant investments to serve the community, and additional investments will be made as the community is built out. The eastern portion of the Anthem at Merrill Ranch development will be served by the Town of Florence.

The Merrill Ranch Expansion One extension area is adjacent to the existing Anthem at Merrill Ranch community and Johnson Utilities' existing facilities. Although the area is located within the Town of Florence, the Town agreed that this particular area was best served by Johnson Utilities. (See April 18, 2012, letter from Town of Florence, attached as Exhibit 1 to Hearing Exhibit A-2).

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**RYLEY CARLOCK**  
& A P P L E W H I T E  
*Attorneys*

The purpose of including the Merrill Ranch Expansion One extension area in Johnson Utilities' CC&N expansion application at this time was to achieve a level of certainty for the landowner and Pulte as to the water and sewer service plan going forward. Obtaining the certainty of the CC&N extension will assist further investment decisions.

We are very concerned, however, with recommendations made by the Commission's Staff in this case to issue "Order Preliminaries" rather than conditional CC&Ns. The issuance of an Order Preliminary does not provide the desired certainty to landowners that there is a water and sewer provider with a CC&N available to serve the property. Johnson Utilities' CC&N extension application was supported by requests from landowners for service. Landowners have requested that a CC&N for water and sewer service be issued now, not later.

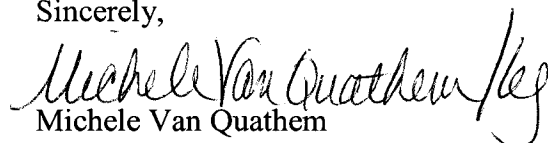
It appears there are two reasons for Staff's recommendations of Orders Preliminary: (1) encouraging Johnson Utilities compliance with ADEQ spill response requirements and (2) the amount of time before four areas of the Merrill Ranch Expansion One extension area are expected to be built.

Use of the Order Preliminary as a carrot (or perhaps punishment) to encourage Johnson Utilities' compliance with ADEQ spill response obligations that have already ended inappropriately creates uncertainty for landowners seeking water and sewer service. Since Johnson Utilities already filed evidence from ADEQ confirming that violations have been resolved, there is no further justification for denying a full CC&N (with conditions).

Further, delaying extension of a CC&N until ADEQ issues an approval to construct for water and wastewater facilities for a portion of a larger master planned area fails to recognize the need for landowners to secure a water and sewer provider for all areas of an integrated development before making investment decisions about whether and how to move forward with projects. This is not a case where the need for water and sewer service is speculative or uncertain – the landowner here has specifically requested service from a provider that already serves the adjacent land within the same community.

For these reasons, we urge the Commission to reject the Staff's proposal to issue Orders Preliminary for the Merrill Ranch Expansion One area. Please issue CC&Ns now.

Sincerely,

  
Michele Van Quathem

c: Dan Bonow  
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Jeff Crockett